

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



ZCCM INVESTMENTS HOLDINGS PLC ("ZCCM-IH")

[Incorporated in the Republic of Zambia]

Company registration number: 119540000771
Share Code: ZCCM-IH
ISIN: ZM0000000037
Authorised by: Chabby Chabala – Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

[Founder Member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Number: +260-211-232456
Website: www.sbz.com.zm

APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange ("LuSE")
- ii. the Securities and Exchange Commission ("SEC")
- iii. Stockbrokers Zambia Limited ("SBZ")

RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price sensitive nature. Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 11 September 2020



ZCCM INVESTMENTS HOLDINGS PLC

[Incorporated in the Republic of Zambia]

Company registration number: 771

Share Code: ZCCM-IH

ISIN: ZM0000000037

["ZCCM-IH" or "the Company"]

MARKET ANNOUNCEMENT

PROPOSED GROUP PORTFOLIO RATIONALIZATION AND REORGANIZATION

Background

ZCCM Investments Holdings PLC ("**ZCCM-IH**" or the "**Company**") is an investments holding company with diversified interests in mining, energy, banking, property and other sectors of the Zambian economy. The company has a primary listing of its Class "B" ordinary shares on the Lusaka Securities Exchange ("**LuSE**"), and secondary listings on the London Stock Exchange and Euronext Stock Exchange in Paris. Class B shares represent 39.72% shareholding and voting rights in the Company. The Class A shares represent 60.28 % shareholding and voting rights in the Company and are not listed on any stock exchange.

All the Class A shares in ZCCM-IH are directly held by the Industrial Development Corporation ("**IDC**"), an investments company wholly owned by the Zambian Government ("**GRZ**"). Minority shareholders represented by institutions and individuals hold 22.47% shareholding in the Company as Class B shares whilst the Zambian Government directly holds the balance of the shareholding of 17.25% as Class B shares. ZCCM-IH is a subsidiary of the IDC Group.

The IDC was established by GRZ in 2014 to spearhead the development of Zambia's domestic industrial capacity, and in so doing, play a major role in creating jobs. IDC expects to be instrumental in the establishment, growth and expansion of industries across the entire Zambian economy in manufacturing, mining, infrastructure, agriculture, forestry, tourism and financial services, etc

The Proposed Group Reorganization Transaction

The IDC portfolio currently includes companies in the banking sector, specifically; Zambia National Commercial Bank PLC, Indo-Zambia Bank and the Zambia Industrial and Commercial Bank; and in the maize meal milling industry this includes Superior Milling Limited.

Therefore, to achieve optimisation of operations and unlock opportunities for synergy within the IDC /ZCCM-IH Group, the Board of ZCCM-IH has considered and approved the proposed IDC/ZCCM-IH Group reorganization exercise whereby: -

- 1) IDC transfers its 25% equity stake in Kagem Mining Limited, at fair market value, to ZCCM IH;
- 2) ZCCM-IH transfers its 71.4% equity stake in Investrust Bank PLC, at fair market value to IDC; and
- 3) ZCCM-IH transfers its 100% stake in Mushe Milling Limited to IDC at fair market value.

These 3 corporate actions listed above will be undertaken simultaneously as a corporate group reorganization exercise involving IDC and ZCCM-IH and constitute the proposed *Group Portfolio Rationalization and Reorganization* (or the “**Group Reorganization**”).

Rationale for the Proposed Group Reorganization

The Board considers that the proposed Group Reorganization will enhance and improve operational efficiency and performance of ZCCM-IH, by realigning and streamlining management oversight on its investments portfolio to support and sustain Company growth and unlock value for its shareholders going forward.

Compliance of the Proposed Group Reorganization with the LuSE Listing Rules and statutory regulations

As per the LuSE Listing Requirements, the proposed Group Reorganization involving ZCCM-IH and IDC is a related party transaction and is thus subject to approval by shareholders of ZCCM-IH via a general meeting and also subject to approval by statutory regulatory authorities in Zambia.

Implementation of the Proposed Group Reorganization

In compliance with the LuSE Listing Rules, the salient steps to implement the Group Reorganization are as follows:

- 1) Announcement of the Proposed Group Reorganization;
- 2) Preparation of a Circular to shareholders. The Circular will set out details of the Group Reorganization and the general meeting that will be called for shareholders to consider and vote on the resolutions regarding the proposed Group Reorganization;
- 3) Preparation of a Fairness Opinion, by an Independent Expert, on the Group Reorganization. The Fairness Opinion will be included in the Circular to shareholders;
- 4) Preparation of a Competent Person’s Report on Kagem Mining Limited as required for a company involved in mining operations. The Competent Persons Report will be included in the Circular to shareholders;
- 5) Posting the Circular to shareholders and holding a General Meeting of shareholders to consider and vote on the proposed Group Reorganization; and
- 6) Implementation and completion of the proposed Group Reorganization once approved by shareholders of ZCCM-IH and regulatory authorities.

Next Steps

The completion of the Circular to Shareholders setting out details of the transaction, the applicable terms and date of the general meeting to consider the proposed Group Reorganization will be communicated in due course.

CAUTION

In the meantime, shareholders are advised to exercise caution when dealing in the shares of the Company until full details are provided in the Circular and the proposed Group Reorganization is presented to shareholders at the general meeting for their consideration.

By Order of the Board

**Chabby Chabala
Company Secretary**

Issued in Lusaka, Zambia on Friday, 11th September 2020

Lusaka Securities Exchange Sponsoring Broker	
	<p>T +260-211-232456</p> <p>E advisory@sbz.com.zm</p> <p>W www.sbz.com.zm</p> <p>Stockbrokers Zambia Limited (SBZ) is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia</p>

First Issued on 11 September 2020